

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re	)	PROMESA
	)	Title III
)	
THE FINANCIAL OVERSIGHT AND	)	No. 17 BK 3283-LTS
MANAGEMENT BOARD FOR PUERTO RICO,)	
	)	(Jointly Administered)
)	
As a representative of	)	Re: ECF No. 3519, 3526, 3540, 3541, 3542,
	)	3545, 3559, 3560, 3565
	)	Objections: None
)	
THE COMMONWEALTH OF PUERTO RICO	)	Hearing date: December 19, 2018 at 9:30 a.m.
et al.,	)	(Atlantic Standard Time)
)	
Debtors. ¹)	
)	

**FEE EXAMINER'S SUPPLEMENTAL REPORT, STATUS REPORT, AND
INFORMATIVE MOTION ON PRESUMPTIVE STANDARDS MOTION AND ON
UNCONTESTED FEE APPLICATIONS FOR THE THIRD (FEBRUARY 1-MAY 31,
2018) INTERIM COMPENSATION PERIOD RECOMMENDED FOR COURT
APPROVAL—ALL AT OR BEFORE THE OMNIBUS HEARING SCHEDULED FOR
DECEMBER 19, 2018 AT 9:30 A.M. (AST)**

TO: HON. LAURA TAYLOR SWAIN,
UNITED STATES DISTRICT JUDGE

This report has retrospective and prospective dimensions. It submits for the Court's consideration nine deferred, adjusted and recommended fee and expense applications for the

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

third interim period. More significantly, it addresses a pending motion² seeking to establish presumptive limits on professionals' hourly rate increases (however labeled). Through the end of the third interim period, May 31, 2018, increased hourly rates alone account for \$3.9 million in professional fees. The Additional Presumptive Standards Motion suggests principled limits that, if approved, will help guide both the professionals and the review process.

SUPPLEMENTAL REPORT

On October 31, 2018, the Fee Examiner filed the *Fee Examiner's Third Interim Report on Professional Fees and Expenses (February 1, 2018-May 31, 2018): I. Summary of Uncontested Fee Applications for the Third Interim and Prior Compensation Periods; II. Notice of Deferral of Specific Second and Third Interim Applications for Consideration at the January 30, 2019 Omnibus Hearing or a Later Date; and III. Informative Motion Regarding Attendance and Participation at November 7, 2018 Hearing* [Dkt. No. 4126] (the "**Third Interim Fee Period Report**"). The Third Interim Fee Report recommended the approval of 28 interim fee applications for the First (May 3-September 30, 2017), Second (October 1, 2017-January 31, 2018), and Third (February 1, 2018-May 31, 2018) Interim Fee Periods. It also notified the Court, the parties and the public of the consensual deferral of a group of Second and Third Interim Fee Period applications for consideration at a later date (the "**Deferred Second and Third Interim Fee Applications**").

On November 7, 2018, the Court held a hearing on the Third Interim Fee Period Report and, on November 9, 2018, the Court entered the *Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the*

² *Motion to Impose Additional Presumptive Standards: Rate Increases and the Retention of Expert Witnesses or Other Sub-Retained Professionals* [Dkt. No. 4370] (the "**Additional Presumptive Standards Motion**").

First (May 3 Through September 30, 2017), Second (October 1, 2017 Through January 31, 2018), and Third (February 1 Through May 31, 2018) Interim Compensation Periods [Dkt. No. 4200] (the “**Third Interim Compensation Order**”). This supplement (the “**Third Interim Supplemental Report**”) recommends for approval, on an uncontested basis, nine Deferred Third Interim Fee Applications as outlined on **Exhibit A**.

The remaining Deferred Second and Third Interim Fee Applications, listed on **Exhibit B**, remain the subject of discussion between the Fee Examiner and the professionals. Those applications will, with the continued consent of the applicants and with the Court’s permission, be deferred for consideration to the January 30, 2019 omnibus hearing or a later date.

Professionals began filing Fourth Interim Fee Period Applications (for fees from June 1-September 30, 2018) on or around November 13. The Fee Examiner expects to report on some of those applications in connection with the March 13 and April 24, 2019 omnibus hearings. Through the Fourth Interim Fee Period, the fees and expenses submitted through the interim fee application process are nearing \$300 million before consensual and approved reductions.

Since the November 7, 2018 hearing, the Fee Examiner and counsel have continued an extended dialogue, by phone and in person, with professionals subject to the Title III review process. The Fee Examiner and counsel have become even more familiar with the professionals and the issues this case and, accordingly, the issues their fee applications present. The professionals have become more accustomed (some for the first time) to the inherent demands of the fee review process. Despite those developments, the goals of the process have not changed. To date, the Fee Examiner and professionals have been able to resolve issues without formal objections that would only add to the burden on the Court and, ultimately, on the Commonwealth

and its residents. The fee review process and findings outlined in the previous reports apply with equal force to the Deferred Third Interim Fee Applications now recommended for Court approval, as adjusted. These include:

1. *First Interim Fee Application of Munger, Tolles & Olson LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys to the Financial Oversight and Management Board for Puerto Rico for the Period From August 1, 2017 Through May 31, 2018* [Dkt. No. 3519]

The Financial Oversight and Management Board (the “**Board**”) retained Munger, Tolles & Olson LLP (“**Munger Tolles**”) pursuant to a September 5, 2017 engagement letter³ to represent the Board in proceedings here—and, ultimately, in the U.S. Court of Appeals—challenging the constitutionality of PROMESA. Munger Tolles’ first interim fee application seeks \$787,714.54 in fees and \$3,397.75 in expenses for services provided during the ten-month period from August 2017 through May 2018.

The Fee Examiner’s review identified two issues. The first was potential duplication and overlap with the services of Proskauer Rose in the constitutional litigation. The Fee Examiner has raised concerns about the cost of the individual and collective effort invested in that litigation. *See* Dkt. No. 3193 at pp. 8-9. While this Court dismissed the constitutional challenge, it remains pending on appeal. The Fee Examiner and Munger Tolles have agreed that the Fee Examiner reserves the right to raise the duplication and overlap issue in connection with subsequent interim or final fee applications if necessary.

The second identified issue involves hourly rate increases. To address that issue, the professional has agreed to the reductions outlined in the attached **Exhibit A**, and the Fee Examiner recommends the approval of the application, as adjusted, on an interim basis.

³ The engagement letter is attached to Munger Tolles’ first interim fee application as Exhibit B, as is a May 20, 2018 renewal of the engagement agreement.

2. *Second Interim Fee Application of Filsinger Energy Partners for Allowance of an Administrative Claim for Compensation and Reimbursement of Expenses Incurred as Chief Financial Advisor to Puerto Rico Electric Power Authority (“PREPA”) for the Period From February 1, 2018 Through May 31, 2018 [Dkt. No. 3526]*

Filsinger Energy Partners (“**Filsinger**”) requested approval of \$5,072,116.80 in fees and \$333,333.15 in expense reimbursements for services provided during the Third Interim Fee Period. Filsinger continues to serve as the Chief Financial Advisor to PREPA. Since virtually the outset of the fee application process, it has been clear that the nature of Filsinger’s professional services in these cases differs from most other professionals—it is a wholesale financial and managerial role unlike an attorney, financial advisor, or even chief restructuring officer in a Chapter 11 case. Further, the vast majority of Filsinger’s work has been and continues to be related to remediation and structural improvements to stabilize and rebuild the island’s utility infrastructure in the wake of the September 2017 hurricanes.⁴ Strict application of bankruptcy billing protocols to work of this nature is neither possible nor appropriate.

Much as he has done with McKinsey & Company, the Fee Examiner is working directly with Filsinger—and PREPA—to develop an approach that will permit transparency and accountability without imposing impractical billing requirements on this skilled group of technical professionals. To that end, after the November omnibus hearing, the Fee Examiner and counsel met at PREPA headquarters with the Filsinger team and personally visited some of the island’s utility infrastructure—including the San Juan generating facility and the decimated Punta Lima wind generation facility on the island’s southeast coast. The visit helped develop a broader appreciation for Filsinger’s role. Since then, the Fee Examiner has continued working to

⁴ At the specific request of certain Debtors, the Court has authorized the Fee Examiner to review non-Title III services included in Title III fee applications.

develop an alternative approach to review and reporting on professionals with unconventional (as compared to most legal and financial professionals) roles here.

The Fee Examiner will present a proposal in connection with a subsequent status report. In the interim, Filsinger and the Fee Examiner have agreed to the allowance of Filsinger's third interim fee application, with the minor adjustments noted on the attached **Exhibit A**, subject to the Court's approval.

3. *Third Interim Application of Bettina M. Whyte, In Her Capacity as the COFINA Agent, for Interim Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred From February 1, 2018 Through May 31, 2018* [Dkt. No. 3540]

Bettina M. Whyte, in her capacity as the COFINA Agent (the "**COFINA Agent**"), requested approval of \$448,730.00 in fees and \$18,649.09 in expense reimbursements. The Fee Examiner identified excessive time spent in consultation with financial professionals, non-compensable billing activities, and media review. In response, the COFINA Agent either accepted recommended deductions or provided adequate explanatory information to address the concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A**.

4. *Third Interim Application of Willkie Farr & Gallagher LLP, in its Capacity as Counsel to Bettina M. Whyte, as the COFINA Agent, for Interim Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred From February 1, 2018 Through May 31, 2018* [Dkt. No. 3541]

Willkie Farr & Gallagher LLP ("Willkie") requested approval of \$4,634,348.89 in fees and \$957,142.80 in expense reimbursements. The Fee Examiner identified significant rate increases, excessive attendance at hearings, transitory timekeepers, and billing errors. In addition, the Fee Examiner highlighted \$712,240.03 in expert advisory fees included as a single expense item—without separate notice or Court approval. In light of the *Order Denying*

Application of COFINA Agent for Entry of Order Authorizing Retention of Centerview Partners LLC as Financial Advisor and Expert [Dkt. No. 1461], the Fee Examiner raised a concern that the COFINA Agent's retention of an expert—along with a supporting group of professionals—may conflict with the Court's clear directive denying, without prejudice, the COFINA Agent's retention of a financial advisor and expert.

Willkie asserts that the retention of the expert witnesses and the retention of a financial advisor and expert are two different constructs and that the former should not have required notice or Court approval. Pending further discussions on that issue, the Fee Examiner and Willkie have agreed that the expert witness fees billed as an expense will be bifurcated from its own fee application. The Fee Examiner will review and report on those fees under the same standards applied to retained professionals—with the benefit of the Court's treatment of the Additional Presumptive Standards Motion.

The Fee Examiner also expressed his continuing concern about the COFINA Agent's Court-approved retention of two law firms. While Willkie serves as "lead counsel" and Klee, Tuchin, Bodganoff & Stern LLP ("**Klee Tuchin**") is "special municipal counsel" to the COFINA Agent, the time records of both firms show little delineation in their roles. The Fee Examiner has raised this issue with the professionals and continues to reserve his right to raise this issue with the Court in an objection at an appropriate time.

With respect to all other issues, Willkie either provided adequate explanatory material or agreed to accept deductions from its requested fees and expenses. Subject to the reservations of rights noted above, the Fee Examiner recommends the Court's allowance of this fee application, as adjusted and outlined on the attached **Exhibit A**.

5. *Third Interim Application of Klee, Tuchin, Bogdanoff & Stern LLP, in its Capacity as Special Municipal Bankruptcy Counsel to Bettina M. Whyte, as the COFINA Agent, for Interim Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred From February 1, 2018 Through May 31, 2018* [Dkt. No. 3542]

Klee Tuchin requested approval of \$869,739.50 in fees and \$27,854.77 in expense reimbursements. The Fee Examiner identified rate increases, time spent negotiating with the Fee Examiner, and expenses lacking documentation. The Fee Examiner also again raised the question of possible duplication and/or overlap with Willkie's role noted above, reserving his right on that issue. With respect to all other identified issues, Klee Tuchin either provided satisfactory explanation or agreed to deductions addressing the Fee Examiner's concerns. The Fee Examiner recommends the Court's approval of the Klee Tuchin application, as adjusted and outlined on the attached **Exhibit A**.

Confirmation hearings on a negotiated settlement agreement and plan of reorganization for COFINA begin on January 16, 2019. While objections are pending, confirmation could significantly change—if not conclude—the COFINA Agent's service. Confirmation would also trigger final fee applications from the COFINA Agent and her professionals. *See Second Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [Dkt. No. 4363] at p. 27, § 3.2. The final fee application review and approval process may well be the best opportunity to evaluate, in their totality, the reasonableness and necessity of the services provided—including any rate increase and staffing efficiency issues.

6. *Third Interim Application of Nilda M. Navarro-Cabrer, as Local Counsel to Bettina M. Whyte, as the COFINA Agent, for Interim Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred From February 1, 2018 Through May 31, 2018* [Dkt. No. 3545]

Nilda M. Navarro-Cabrer ("**Navarro-Cabrer**") requested approval of \$103,025.00 in fees and \$2,379.82 in expense reimbursements. The Fee Examiner identified minor guideline

issues and several expenses requiring documentation. Navarro-Cabrer either provided adequate explanation or agreed to deductions addressing the concerns. The Fee Examiner recommends the Court's approval of the Navarro-Cabrer application, as adjusted and outlined on the attached

Exhibit A.

7. *Third Interim Application of O'Neill & Borges LLC for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys to the Financial Oversight and Management Board for Puerto Rico, as Representative of Debtors, for the Period of February 1, 2018 Through May 31, 2018 [Dkt. No. 3559].*

O'Neill & Borges requested approval of \$511,739.32 in fees and \$16,759.49 in expense reimbursements. The Fee Examiner identified rate increases, non-compensable billing activities, transitory timekeepers, excessive hearing and mediation attendance, several minor billing errors, and expenses that required further documentation. O'Neill & Borges either accepted recommended reductions or provided adequate explanatory information to address the concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A.**

8. *Third Interim Application of Cancio, Nadal, Rivera & Diaz, P.S.C. for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Attorneys for the Puerto Rico Electric Power Authority From February 1, 2018 Through May 31, 2018 [Dkt. No. 3560]*

Cancio Nadal Rivera & Diaz, P.S.C. ("**Cancio Nadal**") requested approval of \$536,525.00 in fees and \$4,218.39 in expense reimbursements. The Fee Examiner identified rate increases, minor guideline issues, and a few undocumented expenses. Cancio Nadal either accepted recommended reductions or provided adequate explanatory information to address the Fee Examiner's concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A.**

9. *Third Interim Application of Zolfo Cooper, LLC, Financial Advisor to the Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico for Allowance of Compensation For Services Rendered and Reimbursement of Expenses for the Period From February 1, 21087 Through May 31, 2018* [Dkt. No. 3565]

Zolfo Cooper requested \$3,161,231.75 in fees and \$19,295.62 in expense reimbursements. The Fee Examiner identified apparent rate increases, fees for time spent negotiating on fees, excessive attendance at hearings and mediations, excessive time spent monitoring the docket, and some expenses in excess of stated caps. Zolfo Cooper either accepted recommended reductions or provided adequate explanatory information to address the Fee Examiner's concerns. The Fee Examiner now recommends Court approval of this application, as adjusted and outlined on **Exhibit A**.

STATUS REPORT

Additional Presumptive Standards Motion

On November 27, 2018, the Fee Examiner filed the Additional Presumptive Standards Motion. It raises significant issues that, given the approaching New Year, are best resolved prospectively rather than in hindsight. The goal is not to dictate or limit professionals' internal compensation or advancement systems; rather, it is to ensure that rate increases, whether they are called "step increases," "across the board," "market adjustments," or "bump-ups," are reasonable under PROMESA.

After filing the Additional Presumptive Standards Motion, the Fee Examiner engaged in extensive discussions with many of the retained professionals, extending their deadline to object to the motion. The objection deadline has now passed, with many (but not all) of the professionals' comments now incorporated into a revised form of order that has been submitted, separately, under certification of counsel. *See* Dkt. No. 4453. The Additional Presumptive

Standards Motion is scheduled for hearing at the December 19, 2018 omnibus and, given its significance, the Fee Examiner and counsel are prepared to present and discuss the motion.

INFORMATIVE MOTION

Pursuant to the *Order Regarding Procedures for Attendance, Participation and Observation of December 19-20, 2018, Omnibus Hearing* [Dkt. No. 4439], the Fee Examiner notes that:

1. Pursuant to the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 3269], the Court may grant an Interim Fee Application without a hearing if the Fee Examiner files a report recommending approval of the Interim Fee Application(s), in full or in part, and there are no objections from a party in interest. *Id.* at ¶ 2(j). There have been no objections filed to any interim fee application for any interim period.

2. The Fee Examiner and/or his counsel, Katherine Stadler of Godfrey & Kahn S.C. and Eyck O. Lugo Rivera of EDGE Legal Strategies, PSC plan to appear in person if necessary to respond to any professional fee-related matters raised by the Court at the United States District Court for the District of Puerto Rico, 150 Carlos Chardón Street, Federal Building, San Juan, Puerto Rico 00918-1767, and to participate in the hearing on the Additional Presumptive Standards Motion and the Deferred Third Interim Fee Period applications recommended in this Report.

3. Attached to this Supplemental Report as **Exhibit C** is a proposed *Supplemental Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the Third Interim Compensation Period From February 1, 2018 Through May 31, 2018*.

4. Should the Court wish to enter the Additional Presumptive Standards Order [Dkt. No. 4453] and the interim compensation order attached as **Exhibit C** to this report prior to December 19, 2018, the Fee Examiner and his counsel will not plan to attend the hearing in person or by videoconference unless their attendance and participation is requested by the Court.

Dated: December 12, 2018.

WE HEREBY CERTIFY that on this date, we electronically filed the foregoing motion with the Clerk of the Court using the CM/ECF system that will send notification of such filing to all attorneys of record registered in the use of the CM/ECF system.

EDGE LEGAL STRATEGIES, PSC

s/Eyck O. Lugo

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Fee Examiner

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Counsel for the Fee Examiner

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EXHIBIT A

PROMESA Title III No. 17 BK 3283-LTS

Second - Third Interim Fee Period Applications Recommended for Approval

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested		Fee Examiner's Recommended Expense Adjustments	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Counsel for Oversight Board</i>								
1	Munger Tolles & Olson [Dkt. No. 3519]	8/1/2017 - 5/31/2018	\$ 787,714.54	\$ 7,260.53	\$ 3,397.75		\$ -	\$ 780,454.01	\$ 3,397.75
	<i>Chief Financial Advisor - PREPA</i>								
2	Filsinger Energy Partners [Dkt. No. 3526]	2/01 - 05/31/2018	\$ 5,072,116.80	\$ 1,101.60	\$ 333,333.15		\$ -	\$ 5,071,015.20	\$ 333,333.15
	<i>COFINA Agent</i>								
3	Bettina M. Whyte [Dkt. No. 3540]	2/01 - 5/31/2018	\$ 448,730.00	\$ 15,480.00	\$ 18,649.09		\$ 1,909.96	\$ 433,250.00	\$ 16,739.13
	<i>Counsel for COFINA Agent</i>								
4	Willkie Farr & Gallagher LLP [Dkt. NO. 3541]	2/01 - 5/31/2018	\$ 4,634,348.89	\$ 145,314.31	\$ 244,902.77	FN1	\$ 606.31	\$ 4,489,034.58	\$ 244,296.46
	<i>Special Municipal Bankruptcy Counsel for COFINA Agent</i>								
5	Klee, Tuchin, Bogdanoff & Stern LLP [Dkt. No. 3542]	2/01 - 5/31/2018	\$ 869,739.50	\$ 47,930.65	\$ 27,854.77		\$ 1,328.08	\$ 821,808.85	\$ 26,526.69
	<i>Puerto Rico Counsel for COFINA Agent</i>								
6	Nilda Navarro-Cabrer [Dkt. No. 3545]	2/01 5/31/2018	\$ 103,025.00	\$ 5,793.75	\$ 2,379.82		\$ -	\$ 97,231.25	\$ 2,379.82
	<i>Puerto Rico Counsel to Oversight Board</i>								
7	O'Neill & Borges LLC [Dkt. No. 3559]	2/01 - 5/31/2018	\$ 511,739.32	\$ 3,308.20	\$ 16,759.49		\$ 70.00	\$ 508,431.12	\$ 16,689.49
	<i>Puerto Rico Counsel to PREPA</i>								
8	Cancio, Nadal, Rivera & Diaz, PSC [Dkt. No. 3560]	2/01 - 5/31/2018	\$ 536,525.00	\$ 3,748.50	\$ 4,218.39		\$ -	\$ 532,776.50	\$ 4,218.39
	<i>Financial Advisors to Official Committee of Unsecured Creditors</i>								
9	Zolfo Cooper, LLC [Dkt. No. 3565]	2/01 - 5/31/2018	\$ 3,161,231.75	\$ 145,076.77	\$ 19,295.62		\$ -	\$ 3,016,154.98	\$ 19,295.62

FN1 - This expense request excludes \$712,240.03 in requested expert witness fees, which have been deferred for consideration and reporting in a subsequent Fee Examiner report.

EXHIBIT B

PROMESA Title III No. 17 BK 3283-LTS

Second - Third Interim Fee Period Applications Recommended for Deferral

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested	Fee Examiner's Recommended Expense Adjustments	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Bankruptcy Counsel to Debtors - Commonwealth</i>							
1-a	Proskauer Rose LLP [Dkt. No. 2868]	10/01 - 01/31/2018	\$ 5,453,686.60		\$ 294,582.75			
	<i>Bankruptcy Counsel to Debtors COFINA</i>							
1-b	Proskauer Rose LLP [Dkt. No.2870]	10/01 - 01/31/2018	\$ 562,239.80		\$ 5,584.22			
	<i>Bankruptcy Counsel to Debtors ERS</i>							
1-c	Proskauer Rose LLP [Dkt. No. 2872]	10/01 - 01/31/2018	\$ 2,121,996.20		\$ 52,896.53			
	<i>Bankruptcy Counsel to Debtors PREPA</i>							
1-d	Proskauer Rose LLP [Dkt. No. 2876]	10/01 - 01/31/2018	\$ 2,062,304.20		\$ 37,003.99			
	<i>Bankruptcy Counsel to Debtors HTA</i>							
1-e	Proskauer Rose LLP [Dkt. No. 2874]	10/01 - 01/31/2018	\$ 1,256,420.60		\$ 39,216.07			
	<i>Financial Advisors to the Puerto Rico Fiscal Agency and Financial Advisory Authority</i>							
2-a	Ankura Consulting Group, LLC [Dkt. No. 2751]	10/01 - 1/31/2018	\$ 3,937,979.00		\$ 175,457.10			
	<i>Financial Advisors to PREPA</i>							
2-b	Ankura Consulting Group, LLC [Dkt. No. 2755]	10/01 - 1/31/2018	\$ 3,475,283.50		\$ 153,684.90			
	<i>Investment Banker and Financial Advisor to FOMB</i>							
3	Citigroup Global Markets Inc. [Dkt. No. 2944]	1/27/2017 - 1/31/2018	\$ 625,000.00		\$ 60,971.21			
	<i>Financial Advisors to Commonwealth</i>							
4-a	Ankura Consulting Group LLC [Dkt. No. 3564]	2/01 - 5/31/2018	\$ 2,002,323.50		\$ 128,217.60			
	<i>Financial Advisors to PREPA</i>							
4-b	Ankura Consulting Group LLC [17-04780 Dkt. No. 918; First Amended Dkt. No. 3658]	2/01 - 5/31/2018	\$ 3,325,832.00		\$ 261,639.11			
	<i>Counsel to Official Committee of Unsecured Creditors</i>							
5	Paul Hastings LLP [Dkt. No. 3568]	2/01 - 5/31/2018	\$ 8,676,112.75		\$ 586,993.66			
	<i>Counsel to AAFAF</i>							
6	DLA Piper [Dkt. No. 3569]	2/01 - 5/31/2018	\$ 902,090.92		\$ 15,937.82			
	<i>Counsel for Debtors - COFINA</i>							
7-a	Proskauer Rose [Dkt. No. 3571]	2/01 - 5/31/2018	\$ 94,488.00		\$ 4,277.94			
	<i>Counsel for Debtors - ERS</i>							
7-b	Proskauer Rose [Dkt. No. 3590]	2/01 - 5/31/2018	\$ 445,503.70		\$ 16,638.88			
	<i>Counsel for Debtors - HTA</i>							
7-c	Proskauer Rose [Dkt. No. 3576]	2/01 - 5/31/2018	\$ 1,219,419.80		\$ 40,404.55			
	<i>Counsel for Debtors - PREPA</i>							
7-d	Proskauer Rose [Dkt. No. 3582]	2/01 - 5/31/2018	\$ 3,246,887.10		\$ 169,316.96			
	<i>Counsel for Debtors - Commonwealth</i>							
7-e	Proskauer Rose [Dkt. No. 3588]	2/01 - 5/31/2018	\$ 5,434,013.80		\$ 286,122.56			
	<i>Counsel to AAFAF - COFINA</i>							
8-a	O'Melveny & Myers [Dkt. No. 3575]	2/01 - 5/31/2018	\$ 837,368.29		\$ 3,688.16			

PROMESA Title III No. 17 BK 3283-LTS

Second - Third Interim Fee Period Applications Recommended for Deferral

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested	Fee Examiner's Recommended Expense Adjustments	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Counsel to AAFAF - ERS</i>							
8-b	O'Melveny & Myers [Dkt. No. 3578]	2/01 - 5/31/2018	\$ 194,579.33		\$ 13,657.88			
	<i>Counsel to AAFAF - HTA</i>							
8-c	O'Melveny & Myers [Dkt. No. 3579]	2/01 - 5/31/2018	\$ 155,651.42		\$ 451.10			
	<i>Counsel to AAFAF - Commonwealth</i>							
8-d	O'Melveny & Myers [Dkt. No. 3581]	2/01 - 5/31/2018	\$ 6,871,237.76		\$ 101,437.64			
	<i>Investment Banker and Financial Advisor to FOMB</i>							
9	Citigroup Global Markets Inc. [Dkt. No. 4020]	2/01 - 5/31/2018	\$ 1,803,571.43		\$ 40,912.98			
	<i>Debtor's Financial Advisor</i>							
10	Deloitte Financial Advisory Services LLP [Dkt. No. 3831]	2/01 - 5/31/2018	\$ 3,124,262.00		\$ 129,381.88			

EXHIBIT C

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

	)	PROMESA
In re	)	Title III
)	
THE FINANCIAL OVERSIGHT AND	)	No. 17 BK 3283-LTS
MANAGEMENT BOARD FOR PUERTO RICO,)	
	)	(Jointly Administered)
)	
As a representative of	)	Re: Dkt. Nos. 3519, 3526, 3540, 3541, 3542,
	)	3545, 3559, 3560, 3565
)	
THE COMMONWEALTH OF PUERTO RICO	)	Hearing date: December 19, 2018 at 9:30 a.m.
<i>et al.</i>,	)	(Atlantic Standard Time)
)	
Debtors. ¹)	
)	

**SUPPLEMENTAL OMNIBUS ORDER AWARDING INTERIM ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES FOR THE THIRD COMPENSATION PERIODS
FROM FEBRUARY 1 THROUGH MAY 31, 2018**

This matter coming before the Court on the interim fee applications (together Dkt. Nos. 3519, 3526, 3540, 3541, 3542, 3545, 3559, 3560, and 3565 the (“**Applications**”)) indicated as “Recommended for Approval” on the attached **Exhibit A**, pursuant to sections 316 and 317 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), Pub. L. No. 114-187, §§ 316, 317, 130 Stat., 549, 584-85 (2016), and Rule 2016 of the Local Rules of Bankruptcy Practice and Procedure of the U.S. Bankruptcy Court for the District of Puerto Rico,

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

for the interim allowance of certain fees, including all holdbacks and expenses incurred by the Applicants for the specific period of time set forth in each of the Applications (the “**Compensation Periods**”); filed in accordance with the *Order Setting Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Dkt. No. 1150] (the “**Interim Compensation Order**”); the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 1715] (the “**First Amended Interim Compensation Order**”); the *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 3269] (the “**Second Amended Interim Compensation Order**”); the *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 1416] (the “**Fee Examiner Order**”); and the *First Amended Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 3324] (the “**First Amended Fee Examiner Order**”); and the Court having reviewed the Applications and/or the supplemental report filed by the Fee Examiner with respect to the Applications [*see* Dkt. No. ____]; and the Court finding that:

(a) the Court has jurisdiction over this matter pursuant to PROMESA section 306(a); and

(b) notice of the Applications and the hearing thereon being adequate under the circumstances;

and (c) all parties with notice of the Applications having been afforded the opportunity to be heard on the Applications, and no objections having been filed; now therefore

IT IS HEREBY ORDERED THAT:

1. The Applications are GRANTED on an interim basis, to the extent set forth on the attached **Exhibit A**.

2. Each of the Applicants is allowed (a) interim compensation for services rendered during the Compensation Periods and (b) interim reimbursement for actual and necessary expenses incurred during the Compensation Periods, each in the respective and adjusted amounts set forth on the attached **Exhibit A**, including, except as otherwise indicated, any and all holdbacks.

3. To the extent not already paid pursuant to the Interim Compensation Order, the Debtors are hereby authorized and directed to pay each of the Applicants 100 percent of the fees and 100 percent of the expenses listed on **Exhibit A** under the columns “Interim Fees Recommended for Approval” and “Interim Expenses Recommended for Approval,” respectively, for services rendered and expenses incurred during the Compensation Periods.

4. Pursuant to the Fee Examiner’s supplemental report, the interim fee applications listed on Exhibit B of the supplemental report, [Dkt. Nos. 2868, 2870, 2872, 2876, 2874, 2751, 2755, 2944, 3564, 3658, 3568, 3569, 3571, 3590, 3576, 3582, 3588, 3575, 3578, 3579, 3581, 3831, 4020] remain adjourned for consideration at a later hearing date.

SO ORDERED.

Dated: December ____, 2018

LAURA TAYLOR SWAIN
United States District Judge

PROMESA Title III No. 17 BK 3283-LTS

Second - Third Interim Fee Period Applications Recommended for Approval

	Applicant	Compensation Period	Interim Fees Requested	Fee Examiner's Recommended Fee Adjustments	Interim Expenses Requested		Fee Examiner's Recommended Expense Adjustments	Interim Fees Recommended for Approval	Interim Expenses Recommended for Approval
	<i>Counsel for Oversight Board</i>								
1	Munger Tolles & Olson [Dkt. No. 3519]	8/1/2017 - 5/31/2018	\$ 787,714.54	\$ 7,260.53	\$ 3,397.75		\$ -	\$ 780,454.01	\$ 3,397.75
	<i>Chief Financial Advisor - PREPA</i>								
2	Filsinger Energy Partners [Dkt. No. 3526]	2/01 - 05/31/2018	\$ 5,072,116.80	\$ 1,101.60	\$ 333,333.15		\$ -	\$ 5,071,015.20	\$ 333,333.15
	<i>COFINA Agent</i>								
3	Bettina M. Whyte [Dkt. No. 3540]	2/01 - 5/31/2018	\$ 448,730.00	\$ 15,480.00	\$ 18,649.09		\$ 1,909.96	\$ 433,250.00	\$ 16,739.13
	<i>Counsel for COFINA Agent</i>								
4	Willkie Farr & Gallagher LLP [Dkt. NO. 3541]	2/01 - 5/31/2018	\$ 4,634,348.89	\$ 145,314.31	\$ 244,902.77	FN1	\$ 606.31	\$ 4,489,034.58	\$ 244,296.46
	<i>Special Municipal Bankruptcy Counsel for COFINA Agent</i>								
5	Klee, Tuchin, Bogdanoff & Stern LLP [Dkt. No. 3542]	2/01 - 5/31/2018	\$ 869,739.50	\$ 47,930.65	\$ 27,854.77		\$ 1,328.08	\$ 821,808.85	\$ 26,526.69
	<i>Puerto Rico Counsel for COFINA Agent</i>								
6	Nilda Navarro-Cabrer [Dkt. No. 3545]	2/01 5/31/2018	\$ 103,025.00	\$ 5,793.75	\$ 2,379.82		\$ -	\$ 97,231.25	\$ 2,379.82
	<i>Puerto Rico Counsel to Oversight Board</i>								
7	O'Neill & Borges LLC [Dkt. No. 3559]	2/01 - 5/31/2018	\$ 511,739.32	\$ 3,308.20	\$ 16,759.49		\$ 70.00	\$ 508,431.12	\$ 16,689.49
	<i>Puerto Rico Counsel to PREPA</i>								
8	Cancio, Nadal, Rivera & Diaz, PSC [Dkt. No. 3560]	2/01 - 5/31/2018	\$ 536,525.00	\$ 3,748.50	\$ 4,218.39		\$ -	\$ 532,776.50	\$ 4,218.39
	<i>Financial Advisors to Official Committee of Unsecured Creditors</i>								
9	Zolfo Cooper, LLC [Dkt. No. 3565]	2/01 - 5/31/2018	\$ 3,161,231.75	\$ 145,076.77	\$ 19,295.62		\$ -	\$ 3,016,154.98	\$ 19,295.62

FN1 - This expense request excludes \$712,240.03 in requested expert witness fees, which have been deferred for consideration and reporting in a subsequent Fee Examiner report.